

July 31, 1996

Mr. Richard F. Morris
Pinewoods
W 4305 C.T.H. "A"
Tomahawk, WI 54487

RE: Crandon Mine Project and the Hat Rapids Dam

Dear Mr. Morris:

Your letter dated May 20, 1996 sent to the attention of the U.S. Environmental Protection Agency (EPA), has been forwarded to my attention. As related to you during our phone conversation on June 21, 1996, I am the project manager for the EPA handling issues regarding to the proposed Crandon Mine located near Crandon, WI.

Your letter raised several concerns regarding the potential impacts of the proposed mine near Crandon, WI and its proposed 38 mile-long wastewater discharge pipeline to the Wisconsin River at the Hat Rapids Dam located near Tomahawk, WI. As you are aware, the Wisconsin Department of Natural Resources held a public informational meeting on this subject on May 20, 1996 and has responded to all the concerns raised at that meeting in a response dated June 28, 1996. I have enclosed the WDNR's response package in case you have not received one personally, and because it highlights and responds to many concerns similar to yours. EPA is presently reviewing the responses and Crandon Mining Company's Environmental Impact Report and is preparing comments on all aspects of the project to submit to the U.S. Army Corps of Engineers (COE), the federal lead on project. With respect to your specific discharge limit and maximum fine concerns, all aspects of the discharge, including the recent June 1996 Water Regulatory Permit Application for Mine Site and Treated Wastewater Discharge Pipeline, submitted to the WDNR and COE on June 20, 1996, are being and will continue to be reviewed by the EPA.

With regard to your concern about the dam being regulated by the Federal Energy Regulatory Commission (FERC) and your intention to intervene in the dam's current licensing processes with the FERC, I have spoken with Ms. Patricia Grant, Environmental Protection Specialist with the Chicago FERC office to get more information. Ms. Grant was very helpful giving me specifics with regard to the Hat Rapids Dam and she stated that this particular dam is exempt from licensing, meaning that the dam owners do not have to go through the usual relicensing processes, so in turn, there is no process to be intervened on. She stated that this dam has always been exempt from licensing, but that all requirements regarding compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources still must be met by the dam owners. I therefore contacted Mr. Greg Egtvedt, Assistant Director of Environmental Services for Wisconsin Public Service Corporation (WPSC - the owners of the Hat Rapids Dam), and he stated that it is WPSC's position that if the WDNR approves the discharge, ie., the water quality discharge levels are acceptable, then the discharge would be alright with them. The WPSC would coordinate with the WDNR, the U.S. Fish & Wildlife and the State historical society and then make recommendations or requests to the FERC. He also stated that the discharge into the turbines of the dam is the best for mixing. So in summary, it does not seem that FERC would presently have any major involvement in the project but that the owner of the dam will

coordinate as necessary with the WDNR and FERC. I have also enclosed the current proposed Work Plan for Wisconsin River Discharge Aquatic Investigations that CMC planned on conducting below the dam earlier this summer. I have not yet heard if this sampling was conducted or if it was, what the results were.

In addition to your concerns, EPA along with the COE, is also involved in reviewing concerns regarding interbasin water transfers and the applicability of the Water Resources Development Act of 1986 which states that any transfer of water out of the Great Lakes Basin (of which the proposed mine is located in the Lake Michigan Basin) to another basin (Wisconsin River is set in the Mississippi River Basin) approval must be obtained by the Governors of all the Great Lakes States.

I wish to thank you for your concern for this project and I hope that this response satisfied your concerns for the time being, and that the continued review of the project by EPA and other federal agencies will further address your concerns. Please do not hesitate to call me at (312) 866-7252 if you have more concerns or if you need any clarification regarding this letter. For your reference, Ms. Grant's (FERC) phone number is (312) 353-6170 and Mr. Egtvedt's number (WPSC) is (414) 433-5713.

Sincerely,

Daniel J. Cozza, U.S. EPA Crandon Mine Project Manager

cc: (w/org. letter attached)

Bill Tans, WDNR

Dave Ballman, COE

Ron Spry, U.S. FWS

Jim Krohelski, U.S. GS

Herb Nelson, U.S. BIA

John Griffin, Mole Lake

Llewellyn Boyd, Menominee

Mark Kuester, U.S. BIA

Don Moe, CMC

John Koss, Menominee

Ken Fish, Menominee

Greg Bunker, Stockbridge-Munsee

John Coleman, GLIFWC

Ann McCammon, GLIFWC

Christine Hansen, FCP

Kathy Condon, Menominee

Steve Dodge, EPA

cc; (w/org. letter, WDNR response and Work Plan attached)

Ms. Grant (FERC)

Mr. Egtvedt (WPSC)